

# House File 2402 - Introduced

HOUSE FILE \_\_\_\_\_  
BY COMMITTEE ON LABOR

(SUCCESSOR TO HSB 600)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to employers' participation in unemployment  
2 insurance adjudications.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 5448HV 82  
5 ak/nh/5

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1 1 Section 1. Section 96.3, subsection 7, Code 2007, is  
1 2 amended to read as follows:  
1 3 7. RECOVERY OF OVERPAYMENT OF BENEFITS.  
1 4 a. If an individual receives benefits for which the  
1 5 individual is subsequently determined to be ineligible, even  
1 6 though the individual acts in good faith and is not otherwise  
1 7 at fault, the benefits shall be recovered. The department in  
1 8 its discretion may recover the overpayment of benefits either  
1 9 by having a sum equal to the overpayment deducted from any  
1 10 future benefits payable to the individual or by having the  
1 11 individual pay to the department a sum equal to the  
1 12 overpayment.  
1 13 b. If the department determines that an overpayment has  
1 14 been made, the charge for the overpayment against the  
1 15 employer's account shall be removed and the account shall be  
1 16 credited with an amount equal to the overpayment from the  
1 17 unemployment compensation trust fund and this credit shall  
1 18 include both contributory and reimbursable employers,  
1 19 notwithstanding section 96.8, subsection 5. However, provided  
1 20 the benefits were not received as the result of fraud or  
1 21 willful misrepresentation by the individual, benefits shall  
1 22 not be recovered from an individual if the employer did not  
1 23 participate in the initial determination to award benefits  
1 24 pursuant to section 96.6, subsection 2, and an overpayment  
1 25 occurred because of a subsequent reversal on appeal regarding  
1 26 the issue of the individual's separation from employment. The  
1 27 employer not participating in the initial determination shall  
1 28 be charged with the benefits.

1 29 EXPLANATION  
1 30 This bill provides that employers who do not participate in  
1 31 the initial fact-finding determination of eligibility for  
1 32 unemployment insurance benefits but who prevail upon appeal  
1 33 will not recover charges for benefits paid to claimants prior  
1 34 to the decision denying benefits. The employer that did not  
1 35 participate in the initial determination shall be charged with  
2 1 the benefits. However, if a claimant used fraud or  
2 2 misrepresentation to secure benefits, the benefits will be  
2 3 recovered.  
2 4 LSB 5448HV 82  
2 5 ak/nh/5